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ABSTRACT

This document reports on the states' implementation of the Child Support Enforcement Amendments of 1984. The Child Support Enforcement Program is a federally administered, state run program in which child support agencies locate absent parents, establish paternity, obtain support orders, and enforce support collections with the purpose of reducing Aid to Families with Dependent Children (AFDC) expenses. The 1984 amendments require specific areas of improved effectiveness. This document reports on the states' performances in several areas including: (1) mandatory income withholding; (2) monitoring of withheld support payments; (3) state income tax refund offset; (4) liens on property; (5) no limitations on paternity actions; (6) reporting of cumulative overdue support payments to consumer credit reporting agencies; and (7) notifying each AFDC client of the money collected on his or her behalf. Forty-four states and the District of Columbia are reported to have fulfilled some of the requirements but only four have fully fulfilled the requirements. Graphs and tables describe the individual states' performances in required areas. (ABL)

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United States General Accounting Office

GAO

Briefing Report to the Chairman, Subcommittee on Public Assistance and Unemployment Compensation, Committee on Ways and Means, House of Representatives

December 1985

CHILD SUPPORT

States' Implementation of the 1984 Child Support Enforcement Amendments

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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

HUMAN RESOURCES
DIVISION

December 24, 1985

B-221078

The Honorable Harold E. Ford
Chairman, Subcommittee on Public Assistance
and Unemployment Compensation
Committee on Ways and Means
House of Representatives

Dear Mr. Chairman:

In response to your August 8, 1985, request and later discussions with your office, we conducted a telephone survey of the 50 states and the District of Columbia to determine the extent to which they had implemented 10 mandatory practices contained in section 3 of the Child Support Enforcement Amendments of 1984.

The Amendments required that the states implement these 10 practices by October 1, 1985, unless they needed legislation to implement the practices and the legislation was not enacted by that date. In such cases the states were permitted to delay implementation beyond October 1. In addition, under certain conditions, states may be exempted from enacting one or more of the requirements. Accordingly, we also agreed to obtain information from the Office of Child Support Enforcement (OCSE), Department of Health and Human Services, on federal approvals of states' requests for implementation delays and exemptions.

As of October 1, 1985, most of the states reportedly had not fully implemented all 10 required practices, nor had any one practice been fully implemented by all states. Forty-four states and the District of Columbia reported having fully implemented some of the required practices; four states, all of the required practices; and two states, all but one practice, which related to state income tax refunds, because the state has no such tax. Also, according to OCSE information, as of late October 1985, 10 states had been granted exemptions, and 5 had been granted delays for one or more of the practices.

The following table shows for each of the 10 practices, the number of states that reported full, partial, or no implementation and the number of states that, according to OCSE, were granted exemptions or delays.

Summary of States' Implementation of the 1984 Child Support Amendments by Practice as of October 1985

Practice	Fully	Par-tially	Not at all	Exemptions granted	Delays granted
Income withholding	21	27	3	0	3
Tracking and monitoring of withheld support payments	37	6	8	0	0
Expedited processes	16	16	19	1	5
State income tax offset	29	8	14	8	1
Imposition of liens	39	5	7	0	1
Posting security	34	5	12	0	3
Paternity statutes	43	0	8	1	1
Reporting to credit agencies	28	1	22	0	2
Notice to AFDC recipients	37	3	11	0	0
Application fee	44	0	7	0	0

The results in the first three columns reflect state officials' views about their states' implementation status. Because of time constraints, we agreed not to attempt to reconcile the states' responses with OCSE's records. In discussing a draft of this report, OCSE officials told us that based on data they have compiled, they believe some states had overstated their actions to us.

As agreed with your office, we plan to send a mail questionnaire to the 50 states and the District of Columbia to obtain more detailed information on the states' implementation of the 1984 Amendments and issue a second report as early as possible in 1986. In completing the second report we will compare the questionnaire results with OCSE records and attempt to reconcile any differences.

As agreed with your office, unless you publicly announce its contents earlier, we plan no further distribution of this briefing report until 14 days from its issue date. At that time we will send copies to other interested congressional committees; the Secretary of Health and Human Services; and the Director, OCSE, and will make copies available to others on request.

For additional information please contact me at 275-6193.

Sincerely yours,

Edward A. Densmore

for Joseph F. Delfico
Associate Director

Contents

		Page
	STATES' IMPLEMENTATION OF THE 1984 CHILD SUPPORT ENFORCEMENT AMENDMENTS	1
	Introduction	1
	Objectives, scope, and methodology	2
	Implementation status as of October 1, 1985	4
	Extent of states' prior implementation of mandatory income withholding	8
	Implementation delays	13
	Exemptions	15
	Penalties for noncompliance	16
APPENDIX		
I	PRACTICES REQUIRED BY SECTION 3 OF THE CHILD SUPPORT ENFORCEMENT AMENDMENTS OF 1984 THAT WERE INCLUDED IN GAO'S REVIEW	18
Tables		
1	Summary of the states' implementation of the 1984 Child Support Enforcement Amendments by practice as of October 1985	5
2	Status of the states' implementation of the 1984 Child Support Enforcement Amendments as of October 1, 1985	6
3	Implementation of income withholding and state income tax offset as of October 1, 1985: four states with the largest child support caseloads	8
4	Twenty-one States with full implementation of income withholding as of October 1, 1985--when some form of income withholding was first implemented	9
5	Status of the states' implementation of income withholding as of October 1, 1985: 29 states without full implementation	11
6	Summary of the states' status in implementing income withholding as of October 1, 1985	12
7	Five states granted implementation delays as of October 29, 1985, by state and practice	14
8	Exemptions pending as of October 28, 1985	16

ABBREVIATIONS

AFDC	Aid to Families with Dependent Children
GAO	General Accounting Office
HHS	Department of Health and Human Services
OCSE	Office of Child Support Enforcement

STATES' IMPLEMENTATION OF THE 1984 CHILD SUPPORT ENFORCEMENT AMENDMENTS

INTRODUCTION

The Child Support Enforcement Program, authorized by title IV-D of the Social Security Act, is a federally administered, state-run program established in 1975 to require absent parents to support their children and, as a result, reduce--or offset--Aid to Families with Dependent Children (AFDC) spending. Under the program, state and local child support agencies help (1) locate absent parents, (2) establish paternity, (3) obtain support orders, and (4) enforce support collections.

The federal government currently pays 70 percent of state and local agencies' total child support administrative expenses and, as of October 1985, incentive payments for increasing collections, which equal from 6 to 10 percent of both AFDC and non-AFDC collections. The Office of Child Support Enforcement (OCSE) in the Department of Health and Human Services (HHS) administers the program.

At the inception of the program, to qualify for federal funding, each state was required to establish a federally approved state plan describing the nature and scope of its program and assuring that it would be administered in conformance with federal law. States are required to amend their plans to reflect new federal statutes or regulations or material changes in a state law, organization, or policy relating to child support.

In 1984, the Congress enacted the Child Support Enforcement Amendments of 1984 (Public Law 98-378), which included 28 provisions designed to improve the program's effectiveness, including mandating proven collection techniques, assuring that services will be made available to non-AFDC families, and strengthening interstate child support enforcement. Section 3 of the Amendments requires states to have in effect by October 1, 1985, laws and procedures requiring the use of certain practices to improve the enforcement and collection of child support unless the state qualifies for an implementation delay or exemption. (See app. I for detailed descriptions of the section 3 practices included in our review.)

Where a state law is needed to implement one or more of the required practices, but is not enacted by October 1, 1985, the Amendments require the Secretary of HHS to grant an implementation delay (see p. 13). The Secretary may also grant a state an exemption from enacting one or more of the mandatory practices requiring state law if the state can prove that the practice would not increase its program's efficiency and effectiveness.

Regarding the requirement to establish expedited processes, if the state can prove that such processes would not increase the state's timeliness and effectiveness, it may be exempted in one or more of its political subdivisions. In addition, a state is exempted from the state income tax offset provision if it has no such tax.

OBJECTIVES, SCOPE, AND METHODOLOGY

As requested by the Chairman, Subcommittee on Public Assistance and Unemployment, House Committee on Ways and Means, we obtained information on the states' progress in implementing 10 practices required under section 3 of the 1984 Amendments. States are required to implement all 10 practices on behalf of both AFDC and non-AFDC clients and in both intrastate and interstate cases.

The 10 practices on which we obtained information are

--mandatory income withholding;

--tracking and monitoring of withheld support payments;

--expedited processes under the state judicial system or under state administrative processes to establish and enforce child support;

--state income tax refund offset;

--liens on real and personal property to enforce support orders;

--bonds, securities, or other guarantees to enforce support;

--no limitations on paternity actions until at least the child's 18th birthday;

--reporting of cumulative overdue support payments to consumer credit reporting agencies;

--annually notifying each AFDC client of the amount collected on his or her behalf; and

--charging an application fee not to exceed $25 for non-AFDC clients .

We conducted a telephone survey of all states and the District of Columbia[1] to enable us, as soon after October 1, 1985, as possible, to give the Subcommittee a preliminary view of whether the states had implemented the practices fully, partially, or not at all. We defined "partially" as less than fully implemented in all jurisdictions or not implemented uniformly throughout the state.

To meet the Subcommittee's time frame, we agreed to limit our telephone survey to several questions designed to quickly obtain the states' comments on:

--Their progress as of October 1, 1985, in implementing the 10 practices and any reasons for delay.

--For the income withholding practice only, whether legislative action is required before implementation can occur, the date or expected date of enactment, whether the state had an income withholding law before the enactment of the Amendments, and the extent to which states modified existing income withholding practices to comply with the new law.

--Whether they are using the implementation delay as allowed under the law.

We pretested a structured telephone interview guide in four states--New York, Pennsylvania, West Virginia, and Wisconsin--to develop questions and interview procedures that would help to ensure accurate and reliable responses. We then conducted telephone interviews with child support directors or their designees in the other 46 states and the District of Columbia. The pretest calls were made on September 20 and 24, 1985, and the remaining calls between October 1 and 10, 1985. We did not visit the states to verify their responses.

In displaying the responses from the states in table 2, we included caseload information obtained from OCSE in order to highlight the implementation status of the four largest states.

To obtain information regarding OCSE approvals of states' requests for implementation delays or exemptions, we interviewed OCSE officials and reviewed OCSE documents and records. Although not specifically requested, we also obtained information from OCSE about penalties that may be imposed on states for noncompliance with the Amendments.

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[1]We agreed not to survey the three U.S. territories (Guam, Puerto Rico, and the Virgin Islands), which also participate in the program.

To meet the Subcommittee's time frame and because we expected that, in some cases, states would qualify for implementation delays as allowed under the law (see p. 1), we agreed not to reconcile the results of our telephone survey with OCSE records or determine whether the states' laws and procedures comply with federal requirements. However, we gave OCSE officials an opportunity to review a draft of this document and provide oral comments. These comments have been included in this document where appropriate.

IMPLEMENTATION STATUS AS OF OCTOBER 1, 1985

We reviewed states' implementation of 10 practices required by section 3 of the Amendments. As of October 1, 1985, four states[2] reported having fully implemented all 10 practices, and two others[3] reported having fully implemented all but the income tax offset requirement because they have no such tax. The other 44 states and the District of Columbia reported having fully implemented some, but not all, of the practices.

As shown in table 1, as of October 1, 1985, none of the 10 practices were reported to have been fully implemented by all states. However, eight practices were reported to have been fully implemented by more than half of the states. In addition, as of October 1, 1985, income withholding and expedited processes--which, according to OCSE, are the most complex of the 10 practices to implement--were reported to have been at least partially implemented by 48 and 32 states, respectively. Table 1 also shows, according to information obtained from OCSE, the number of states that had been granted exemptions or delays as of late October 1985.

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[2]Oklahoma, Oregon, Vermont, and Wisconsin.

[3]Alaska and Washington.

Table 1

Summary of the States' Implementation of the 1984 Child Support Amendments by Practice as of October 1985

Practice	Fully	Partially	Not at all	Exemptions granted	Delays granted
Income withholding	21	27	3	0	3
Tracking and monitoring of withheld support payments	37	6	8	0	0
Expedited processes	16	16	19	1	5
State income tax offset	29	8	14	8	1
Imposition of liens	39	5	7	0	1
Posting security	34	5	12	0	3
Paternity statutes	43	0	8	1	1
Reporting to credit agencies	28	1	22	0	2
Notice to AFDC recipients	37	3	11	0	0
Application fee	44	0	7	0	0

Table 2 identifies for each state (1) the size of its 1984 child support caseload in relation to the total national caseload and (2) the practices that had been fully, partially, or not implemented as of October 1, 1985.

Table 2

Status of the States' Implementation of the 1984 Child Support Enforcement Amendments as of October 1, 1985

PRACTICES

State	Percent of 1984 total caseload (rank)	Income withholding	Tracking and monitoring of withheld support payments	Expedited processes	State tax offset	Liens	Posting security	Paternity statutes	Reporting to credit agencies	Notice to AFDC recipients	Application fee
Alabama	1.3 (23)	P	N	P	N	F	N	F	F	F	F
Alaska	.3 (44)	F	F	F	*N	F	F	F	F	F	F
Arizona	.6 (33)	P	F	N	F	F	F	F	F	F	F
Arkansas	.6 (34)	P	F	*N	F	F	F	F	F	F	F
California	12.5 (1)	P	F	N	F	F	F	F	F	F	F
Colorado	1.5 (19)	F	F	F	F	N	N	F	N	N	F
Connecticut	.9 (28)	P	F	N	*N	F	F	F	N	N	N
Delaware	.3 (45)	P	P	F	P	F	F	F	N	N	F
Wash., D.C.	.5 (36)	N	N	F	F	P	N	F	N	F	F
Florida	4.1 (6)	P	N	N	N	N	N	F	N	F	F
Georgia	2.6 (11)	F	F	P	F	F	F	F	F	N	F
Hawaii	.4 (37)	F	F	N	P	F	N	F	N	F	F
Idaho	.4 (38)	F	F	N	F	F	P	F	N	N	N
Illinois	4.0 (8)	F	F	N	F	N	N	F	N	F	F
Indiana	2.4 (12)	F	F	P	F	F	F	F	F	F	F
Iowa	.9 (29)	F	F	F	F	P	F	F	F	F	F
Kansas	1.5 (20)	F	F	P	F	F	F	F	F	F	F
Kentucky	2.4 (13)	P	P	P	P	P	P	N	N	N	F
Louisiana	1.9 (15)	P	P	P	F	F	P	F	N	F	N
Maine	.4 (39)	P	P	P	P	F	F	F	F	N	F
Maryland	2.9 (9)	F	F	N	F	N	F	F	N	F	F
Massachusetts	1.2 (25)	P	F	N	P	P	F	F	N	F	N
Michigan	7.9 (3)	P	F	P	P	P	P	N	N	F	F
Minnesota	1.2 (26)	F	F	N	F	F	F	F	F	F	F
Mississippi	1.0 (27)	P	F	P	P	F	F	F	F	F	F

Note:
F - Fully implemented
P - Partially implemented
N - Not implemented
* - Exemption granted By OCSE. Arizona was exempted in four counties only.

12

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PRACTICES

State	Percent of 1984 total caseload (rank)	Income withholding	Tracking and monitoring of withheld support payments	Expedited processes	State tax offset	Liens	Posting security	Paternity statutes	Reporting to credit agencies	Notice to AFDC recipients	Application fee
Missouri	1.5 (21)	P	F	F	F	F	F	F	F	P	F
Montana	.4 (40)	F	F	F	F	F	F	N	F	F	F
Nebraska	.4 (41)	P	F	N	F	N	N	N	N	F	F
Nevada	.3 (46)	P	F	P	*N	F	F	F	F	N	F
New Hampshire	.2 (47)	P	F	P	*N	N	N	F	N	F	F
New Jersey	4.1 (7)	P	N	P	N	N	N	F	N	P	N
New Mexico	.9 (30)	P	F	F	F	F	F	F	F	F	F
New York	8.1 (2)	P	F	N	F	F	F	N	N	N	N
North Carolina	1.7 (17)	N	N	N	F	F	F	F	F	P	F
North Dakota	.1 (49)	P	F	P	N	F	F	F	F	F	F
Ohio	5.2 (5)	P	P	N	F	F	F	F	N	F	F
Oklahoma	.9 (31)	F	F	F	F	F	F	F	F	F	F
Oregon	1.4 (22)	F	F	F	F	F	F	F	F	F	F
Pennsylvania	7.0 (4)	P	P	F	N	F	F	N	N	N	F
Rhode Island	.4 (42)	P	F	P	F	F	N	F	F	F	F
South Carolina	1.3 (24)	P	F	P	F	F	F	*F	F	F	F
South Dakota	.2 (48)	P	N	N	*N	F	N	N	N	N	F
Tennessee	1.9 (16)	F	F	P	*N	F	F	F	F	F	F
Texas	2.3 (14)	F	F	N	*N	F	F	F	N	F	F
Utah	.4 (43)	F	F	F	F	F	N	F	F	F	N
Vermont	.1 (50)	F	F	F	F	F	F	F	F	F	F
Virginia	2.9 (10)	F	F	F	F	F	P	F	P	F	F
Washington	.9 (32)	F	F	F	N	F	F	F	F	F	F
West Virginia	.6 (35)	N	N	N	P	F	F	N	N	F	F
Wisconsin	1.7 (18)	F	F	F	N	F	F	F	F	F	F
Wyoming	.1 (51)	P	N	N	*N	F	F	F	F	F	F

As table 2 illustrates, there is a large variation among the states in the number of child support cases. In 1984, state caseload size as a percentage of the national caseload ranged from 0.1 percent (North Dakota, Vermont, and Wyoming) to 12.5 percent (California).

Table 3 highlights the extent to which the states with the largest caseloads--California, New York, Michigan, and Pennsylvania--had implemented two key practices required by the Amendments. The four states comprised more than one-third (35.5 percent) of the 1984 total national caseload. These states' implementation will have the greatest most potential national impact on child support enforcement. None of the four states reported having fully implemented all of the required practices as of October 1, 1985. Regarding mandatory income withholding and state income tax offset--the two practices that, according to OCSE, will have the most impact nationally on the program's effectiveness--none of the four states reported having fully implemented the former, but two (California and New York) reported having fully implemented the latter.

Table 3

Implementation of Income Withholding and State Income Tax Offset as of October 1, 1985: Four States With the Largest Child Support Caseloads

State	Percent of 1984 total caseload	Provision	
		Income withholding	State income tax offset
California	12.5	Partially	Fully
New York	8.1	Partially	Fully
Michigan	7.9	Partially	Partially
Pennsylvania	7.0	Partially	Not at all
	35.5		

Extent of States' Prior Implementation of Mandatory Income Withholding

As shown in table 4, of the 21 states that reported having fully implemented mandatory income withholding, 18 had some form of withholding before the Amendments' enactment on August 16, 1984. Of the 18 states that had previously implemented some form

of income withholding, 14 had done so between January 1, 1980, and August 15, 1984, and 4 had done so before January 1, 1980.

Table 4

Twenty-One States With Full Implementation of Income Withholding as of October 1, 1985--When Some Form of Income Withholding Was First Implemented

State	Before 1/1/80	1/1/80-8/15/84	8/16/84-10/1/85
Alaska		X	
Colorado		X	
Georgia	X		
Hawaii		X	
Idaho			X
Illinois		X	
Indiana		X	
Iowa		X	
Kansas		X	
Maryland		X	
Minnesota		X	
Montana			X
Oklahoma			X
Oregon	X		
Tennessee		X	
Texas		X	
Utah		X	
Vermont		X	
Virginia		X	
Washington	X		
Wisconsin	X	—	—
Total	**4**	**14**	**3**

Table 5 shows the implementation status in the 29 states and the District of Columbia that had not fully implemented mandatory income withholding as of October 1, 1985. Of the 27 states reporting having partially implemented income withholding as of that date, 26 had implemented some form of income withholding before the Amendments were enacted, and 1 had done so after they were enacted. Of the 26 states that reported having implemented some form of income withholding before the Amendments were enacted, 18 initially did so between January 1, 1980, and August 15, 1984, and 8 did so before January 1, 1980.

Also as shown in table 5, of the 29 states and the District of Columbia that reported not having fully implemented income

withholding, 23 reported that state legislative action is still needed. (The other seven states reported having enacted legislation but not having promulgated regulations and procedures or otherwise completed implementation.) Of the 23 states still needing legislative action, 4 expected enactment before January 1, 1986; 16, in calendar year 1986; and 3, in calendar year 1987.

Table 5

Status of the States' Implementation of Income Withholding as of October 1, 1985: 29 States Without Full Implementation

State	Date state first implemented some form of income withholding			Legislative action is still needed	Expected enactment date		
	Before 1/1/80-	1/1/80-8/15/84	8/16/84-10/1/85		Before 1/1/86	1/1/86-12/31/86	1/1/87-12/31/87
WITH PARTIAL IMPLEMENTATION AS OF 10/1/85							
Alabama[a]		X					
Arizona		X		X		X	
Arkansas[b]	X						
California	X			X			X
Connecticut		X		X		X	
Delaware		X		X		X	
Florida		X		X		X	
Kentucky		X		X		X	
Louisiana[c]		X					
Maine	X			X		X	
Massachusetts		X		X	X		
Michigan		X		X	X		
Mississippi			X	X		X	
Missouri		X		X		X	
Nebraska	X			X		X	
Nevada		X		X			X
New Hampshire[d]		X					
New Jersey[c]		X					
New Mexico[e]		X					
New York[b]	X						
North Dakota	X			X			X
Ohio	X			X		X	
Pennsylvania		X		X	X		
Rhode Island		X		X		X	
South Carolina	X			X		X	
South Dakota		X		X		X	
Wyoming		X		X		X	
WITH NO IMPLEMENTATION AS OF 10/1/85							
Washington,D.C.				X	X		
North Carolina				X		X	
West Virginia				X		X	
TOTAL	8	18	1	23	4	16	3

[a]Expected full implementation by 1/01/86.
[b]Expected full implementation by 11/01/85.
[c]Expected full implementation by 12/01/85.
[d]Expected full implementation by 10/15/85.
[e]Expected full implementation by 11/15/85.

In summary, as shown in table 6, 44 states reported having implemented some form of income withholding before the Amendments' enactment. Of the remaining seven states, three (Idaho, Oklahoma, and Montana) reported having fully implemented the required income withholding legislation as a result of the Amendments; one (Mississippi) partially implemented the legislation as a result of the Amendments; and two (North Carolina and West Virginia) and the District of Columbia reported not having implemented any form of income withholding as of October 1, 1985. In addition, of the 50 states and the District of Columbia, 23 reported that state legislation is still needed to fully comply with federal requirements.

Table 6

Summary of the States' Status in Implementing Income Withholding as of October 1, 1985

Implementation status	Number	Implementation before the 1984 Amendments	Legislative action is still needed
States with full implementation	21	18	[a]
States with partial implementation	27	26	20
States without implementation	3	[a]	3
Total	51	44	23

[a]Not applicable

As a result of the 1984 Amendments, 29 states changed their previous income withholding laws or procedures. State child support officials in these states most often cited one or more of the following changes made to their existing laws or procedures to comply with the Amendments:

--Requiring income withholding to be automatic, no longer requiring a return to court to amend the support order (11 states).

--Requiring income withholding to be triggered when support payments are delinquent in an amount equal to one month's support (11 states).

--Requiring income withholding to be applied in interstate, as well as intrastate cases (5 states).

In addition, officials in 10 states told us that their states changed their laws or procedures to make income withholding binding on the absent parent's employer, allow for the collection of arrearages as well as current payments, or allow for the withholding of income, as well as wages.

IMPLEMENTATION DELAYS

The Amendments require the Secretary of HHS to grant states a delay beyond October 1, 1985, to implement one or more of the section 3 practices if the state demonstrates that state legislation is needed. If an implementation delay is approved, the state has 3 months after the end of its first legislative session[4] that ends on or after October 1, 1985, to implement the required legislation.

As of October 29, 1985, OCSE had approved requests from five states to delay implementing one or more of the mandatory practices because the states had not enacted the necessary legislation. OCSE asked the states to request implementation delays--if needed--using the state plan revision process. This process requires states to request delays through their OCSE regional offices. A state must include in its request an explanation of the legal basis for the delay, such as a copy of its current statute or a letter from its Attorney General attesting to the state's need for legislation. The OCSE regional offices are responsible for approving the request. Only OCSE headquarters may disapprove requests for an implementation delay.

According to OCSE officials, state plan revisions, including requests for implementation delays beyond October 1, 1985, may be submitted to OCSE as late as December 31, 1985. Accordingly, OCSE will not know until then the total number of states requesting implementation delays. Table 7 shows the five states and practices for which implementation delays had been granted as of October 29, 1985.

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[4]States' legislative sessions vary in their durations and commencement dates. For example, New York's legislature meets continuously, while New Mexico's meets annually from mid-January to mid-February.

Table 7

Five States Granted Implementation Delays
as of October 29, 1985, by State and Practice

State	Income withholding	Expedited process	State income tax offset	Imposition of liens	Paternity establishment to 18	Posting security or bond	Reporting to credit agencies	Approved implementation date
Alabama	X	X	X			X		8/28/86
Hawaii		X				X	X	9/86
Michigan	X	X		X	X	X	X	4/1/86
Minnesota		X						9/1/86
Mississippi	X	X	_	_	_	_	_	7/1/86
Total	3	5	1	1	1	3	2	

Of the 44 states and the District of Columbia that reported not having fully implemented all of the practices included in our telephone survey, 35 said that they qualified for an implementation delay, 6 did not know if they qualified, and 4 said that they did not qualify. Of the 35 states that said they qualified for delays, 27 said that they had officially or unofficially notified OCSE of their need for the delay. The other eight said that they had not notified OCSE. One of the eight states reported that it did not know that it was required to notify OCSE of its need for an implementation delay.

OCSE officials told us that, based upon the OCSE regional offices' monitoring and tracking of state legislation, no state's existing or new legislation fully complies with the federal requirements, and thus, all states qualify for implementation delays for one or more of the mandatory provisions. Also, OCSE officials told us that based on data they have compiled, they believe that some states overstated their implementation actions. As stated on page 4, our work did not include determining whether states' legislation complies with federal requirements.

In addition to needing to enact legislation, states cited several other reasons for their delays in implementing one or more of the required practices. The most commonly cited reasons were

--the need to develop implementing regulations or procedures (18) and

--planned or pending requests for an exemption from one or more of the mandatory practices (10).

Other reasons cited by state officials included limitations in automated data processing systems and the need to hire or train staff.

EXEMPTIONS

In May 1985, OCSE instructed states to submit before October 1, 1985, if needed, requests for exemptions from the mandatory practices requiring state law. However, OCSE officials informed us that in light of the implementation delays that will be needed by many states, OCSE expects to receive exemption requests up until the states' delayed implementation dates. As of October 28, 1985, OCSE had approved 10 states' requests for exemptions from enacting one or more of the mandatory practices, disapproved 1 state's request, and not taken final action on 11 states' requests. The other 25 states and the District of Columbia, which reported not having fully implemented all the mandatory practices, had not requested exemptions.

OCSE approved the following exemptions for 3 years:

--South Carolina--exempted from enacting a paternity statute because of a 1977 state court ruling that struck down the use of paternity statutes.

--Alaska, Connecticut, Nevada, New Hampshire, South Dakota, Tennessee, Texas, and Wyoming--exempted from enacting a law requiring the use of the state income tax offset to collect child support because they do not have such a tax.[5]

--Arizona--exempted from using expedited processes for establishing and enforcing support orders in four counties because the counties operate a similar existing procedure. (As shown in table 2, expedited processes have not been implemented in the Arizona counties that are not exempted.)

OCSE disapproved North Dakota's request for an exemption from enacting expedited processes on the basis that the existing state statute and court rules do not meet federal statutory and regulatory requirements.

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[5]Two other states--Florida and Washington--also do not have a state income tax but as of October 28, 1985, had not been formally notified by OCSE of their exemption approvals.

In addition, as of October 28, 1985, OCSE had not taken final action on requests for exemptions from the states shown in table 8.

Table 8

Exemptions Pending as of October 28, 1985

State	Type of exemption requested
Alabama	Consumer reporting agencies
Arizona	Expedited processes in one county
Florida	State tax offset Paternity statute
Indiana	Expedited processes
Iowa	Liens
Maryland	Consumer reporting agencies Expedited processes in two counties
Nevada	Expedited processes
New Jersey	Expedited processes
North Carolina	Consumer reporting agencies
Pennsylvania	State tax offset
Wyoming	Expedited processes

PENALTIES FOR NONCOMPLIANCE

The Amendments require states to implement by October 1, 1985, laws requiring the use of mandatory practices to increase the effectiveness of the child support program. As explained above, states may qualify for implementation delays in, or exemptions from, enacting one or more mandatory practices. However, states that are not granted implementation delays or exemptions and have not enacted or implemented the mandatory practices within the required time frame may be found out of compliance with federal law and subject to penalties.

OCSE officials believe that states will have sufficient time to implement the Amendments' requirements within the prescribed time frames. The Amendments do not address the subject of penalties; however, under existing law, HHS may impose one or more penalties on a state if its plan does not comply with federal requirements. Following are some of the possible penalties under consideration by OCSE:

--States without the required laws in effect could be subject to a conformity hearing on the basis that they do not have an approved state plan. If found out of compliance with the statutory requirements, they could lose child support funding.

--Without an approved state plan, the state would also be out of compliance with AFDC requirements and, thus, could lose AFDC funding.

--States that enact but do not implement the required laws could be penalized through the OCSE audit process. Audit penalties range from a loss of 1 to 2 percent of child support funds for the first time found out of compliance to 3 to 5 percent of funds for the third time found out of compliance.

PRACTICES REQUIRED BY SECTION 3 OF THE CHILD SUPPORT ENFORCEMENT AMENDMENTS OF 1984 THAT WERE INCLUDED IN GAO'S REVIEW

Section 3 of the Child Support Enforcement Amendments of 1984 calls for improved child support enforcement through the following required state practices:

--Mandatory income withholding for all AFDC and non-AFDC families if support payments are delinquent in an amount equal to 1 month's support. Withholding will be automatically triggered and made without the need for further amendment of the support order or further action by the courts. The absent parent's employer will be held liable for failure to withhold payments from the absent parent's income. This withholding procedure must be implemented for intrastate and interstate child support cases.

--A state must designate a public agency to administer withholding using state procedures adequate to document, track, and monitor withheld support payments.

--Expedited processes within the state judicial system or under administrative processes for obtaining and enforcing child support within the processing times specified in the implementing regulations. States also have the option of using expedited processes for establishing paternity.

--Withholding of state tax refunds payable to a parent of a child receiving services, if the parent is delinquent in support payments.

--Imposing liens against real and personal property of an absent parent who owes overdue support and who resides or owns property in the state.

--Permitting the establishment of paternity until a child's 18th birthday.

--Requiring individuals who have demonstrated a pattern of delinquent payments to post a bond or give some other guarantee to secure the payment of overdue support.

--Making information on overdue support available to consumer reporting agencies when an absent parent is more than $1000 in arrears, upon the requests of such agencies.

--Annually notifying AFDC recipients of the amount of child support collected in their behalf.

--Charging an application fee not to exceed $25 for non-AFDC clients. The fee may be paid by the individual applying for child support services, recovered from the absent parent, or paid by the state.

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